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King Hassan II, right, welcoming Prime Minister Yitzhak Rabin, left, and Foreign Minister Shimon Peres to Morocco on Tuesday.

Israel and Jordan Sign A Pledge to Negotiate

Rabin, Pressing Peace Effort, Courts King Hassan in Morocco

Compiled by Our Staff From Dispatches RABAT, Morocco — Prime Minister Yitzhak Rabin conferred here Tuesday with King Hassan II as Israel pressed its peace offensive in the Arab world after reaching a breakthrough agreement with the Palestine Liberation Organization. Israeli officials said the visit was intended as a step toward diplomatic relations with Morocco and a rapprochement with other Arab nations. "We hope and believe that it is possible to expand the network of relations between Arab countries and the Arab world," Mr. Rabin said before meeting the king for more than an hour at the royal palace near Rabat. Expanding ties with the Arab world, which has boycotted Israel and tried to isolate it, would give Mr. Rabin a quick boost at home. His governing coalition is shaky, and skepticism is still widespread after Israel signed an agreement Monday with the PLO on limited Palestinian self-rule in the territories occupied by Israel. In his arrival speech, Mr. Rabin did not mention the possibility that Morocco might become the second Arab nation, after Egypt, to establish diplomatic ties with Israel. But earlier, during his flight aboard an Israeli Air Force plane from Washington to Rabat, he had said the visit "perhaps is another step forward" toward such ties. The Israeli economic affairs minister, Shimon Shetret, asked in Jerusalem by Israeli radio whether Israel and Morocco would announce normalization of relations, replied, "It is nearly certain that this will happen." But Israeli officials said reports that Moroccan-Israeli recognition would be announced during Mr. Rabin's visit, or that he also would visit Tunisia, were "nonsense." The prime minister, questioned aboard the plane, said the visit was not intended to proclaim the establishment of diplomatic relations. "But the fact that from Washington we are coming to Rabat and meeting with the king perhaps is another step forward in everything that is linked to establishing relations," he said. Hassan, who has ruled Morocco since 1961, is head of the Islamic Conference Organization's Jerusalem committee. The status of Jerusalem was not resolved in the Israeli-PLO agreement and remains a sensitive issue that could slow down the normalization of Israel's relations with Arab nations. Mr. Rabin said he had stopped in Morocco to pay respects to Hassan's contributions to the Middle East peace process. "I believe that this visit was one of the many great things done by King Hassan II to advance peace between the Arab nations and peoples and Israel," Mr. Rabin said. The Israeli leader, accompanied by Foreign Minister Shimon Peres, was met by Prime Minister Mohammed Karim Lamrani and other cabinet officials. The Israelis received a full military welcome. After the meeting at the king's palace, the Israeli delegation was taken to Casablanca to visit the huge Hassan II Mosque. Israeli officials said relations with Tunisia would come soon if Israel and Morocco established ties. A snowball effect appeared to extend beyond the Arab world, with Zimbabwe reportedly announcing that it planned to establish ties with Israel. In Jerusalem, Aryeh Deri, a Knesset member and leader of the Moroccan community in Israel, said Mr. Rabin would invite Hassan to Israel. Morocco traditionally has been more conciliatory than other Arab nations in its approach to Israel. Morocco is only the second Arab country after Egypt to receive openly an Israeli prime minister. When he was prime minister, Mr. Peres made a private but publicized visit to Morocco in 1986 and met Hassan. Several Israeli officials have met with the king, at first secretly and in recent years publicly. In October 1976, Mr. Rabin, in his first term as prime minister, traveled to Morocco, disguised with a mustache and thick glasses, for a secret meeting with Hassan. During that two-day visit, the two leaders discussed opening a channel to talk peace with Egypt, which eventually became the first Arab country to sign a peace treaty with Israel, in 1979. (AP, Reuters, AFP)

Agenda Sets Out Range of Issues To Be Resolved

By Paul F. Horvitz International Herald Tribune WASHINGTON — Adding momentum to the reconciliation process in the Middle East, Jordan and Israel signed a document Tuesday that commits each nation to detailed negotiations aimed at a comprehensive peace treaty. The "common agenda," signed in a brief ceremony at the U.S. State Department, requires the two longtime enemies and neighbors to tackle a broad array of issues, including their common border, water rights, economic development, refugees and security. Significantly, the agenda states that the goal of the forthcoming talks, which could take years to complete, is the achievement of a "just, lasting and comprehensive peace between the Arab states, the Palestinians and Israel." The agenda suggests no timetable. According to many analysts, Jordan now has joined the Palestine Liberation Organization and Israel in stepping across the same psychological chasm that has made the region a powder keg for decades. Current and former high-ranking U.S. diplomats characterized the agenda as more than a mere list of topics but less than the lengthy Declaration of Principles signed Monday by Israel and the Palestine Liberation Organization. They noted that Israel had reportedly agreed to withdraw from two small, disputed strips of land from which guerrillas in Jordan had launched attacks on Israel. A buoyant Secretary of State Warren M. Christopher, who jointly played host to the ceremony with a top-ranking Russian official, said the agenda "will give a strong impetus, a strong momentum" to all the talks under way between Israel and its Arab rivals. The ceremony Monday, he said, had "forever altered the contours and chemistry of the entire region." Assistant Secretary of State Edward P. Djerjian said the Jordanian-Israeli document was uniquely specific about the issues to be discussed. They include, for example, terrorism, weapons of mass destruction, sharing water in the Jordan River basin, environmental improvements, tourism and setting out a new international boundary along their 400 miles (650 kilometers) of common border. "I wouldn't sell this agreement between Jordan and Israel too short," former Secretary of State James A. Baker 3d said. Israeli withdrawal from the strips of land sets "a good precedent," he said. Befitting the new day in Israeli-Arab relations, Israel's chief negotiator in the Jordanian talks spoke in unusually warm tones of Jordan's King Hussein and of the kingdom's negotiating team. "We have great respect for Jordan, for his majesty, the king, and the government's efforts towards democratization," said the Israeli. See JORDAN, Page 7

Clinton's Peace Role Just Beginning

By R.W. Apple Jr. New York Times Service WASHINGTON — As he himself said, it was not Bill Clinton's day. It was not he who had brought together the sober old soldier and the grinning guerrilla fighter in the leafy calm of the South Lawn of the White House, far from the battlefields of the Middle East, for a peace to peace. However deft, however sagacious, he was but the master of ceremonies. He thanked those who had labored to bring about the latest in a series of once-inconceivable changes that have remade the world in five short years. He bestowed the congratulations of the world's only superpower. And he gave Yitzhak Rabin a timely little nudge when he seemed reluctant to grasp the outstretched hand of Yasser Arafat. Now, though, President Clinton will have to assume the central role if the momentum toward a comprehensive peace settlement is not to be lost. That is likely to be a long, messy job of diplomatic donkey work in the dark corners of history — much less gratifying than Monday's carefully scripted pageant. Israel and Jordan are moving forward. But the other Arab nations whose representatives watched Monday's ceremony from the front rows know that only the United States can provide the impetus needed for the next round of negotiations. Mr. Arafat spoke for them, too, when he said his people "are relying on your role, Mr. President," to "usher in an age of peace." So this president, who so long to concentrate on problems at home, is thrust like so many of his predecessors into an international arena not of his choosing. Along with the rest of the world, the United States has a new ward, the inchoate entity called Palestine, and it has the main responsibility for fostering Israeli agreements with its other neighbors while deepening the one with the Palestinians. He will perhaps take considerable heat from American Jews in the process, which he did not have to endure this time. Neither Mr. Clinton nor any other U.S. president has ever wanted to do business with Mr. Arafat and the Palestine Liberation Organization. As Mr. Rabin, the Israeli prime minister, said in one of his many moments of eloquence Monday, "It's not so easy," swallowing all this change. But in the end, if rebellions succeed, or even end in stalemate, the rebels win a place at the table. The United States will have to do its utmost to make this accord work. That means, first and foremost, helping to persuade ordinary Israelis. See CLINTON, Page 7

Poll in U.S. Finds 80% Approval

WASHINGTON — Americans overwhelmingly approve the Israeli-Palestinian peace pact but oppose giving U.S. economic aid to the Palestinians, according to a poll published Tuesday. It also showed President Bill Clinton's job approval rating was more positive than negative for the first time since early May. Forty-seven percent of respondents approved of his performance and 42 percent disapproved. Eleven percent gave no opinion. On the peace pact, 80 percent favored the agreement that was signed by Israel and Palestine Liberation Organization at the White House on Monday. Twelve percent opposed and 8 percent had no opinion, according to the Cable News Network/USA Today newspaper/Gallup Poll. While most Americans like the agreement, 65 percent opposed giving U.S. economic aid to the Palestinians while 30 percent favored such assistance. Five percent had no opinion. See TOKYO, Page 17

More Bad News for Japan's Economy

By Steven Brull International Herald Tribune TOKYO — Casting fresh doubt on the Japanese economy's prospects for quick recovery, the government reported Tuesday that the nation's economy shrank at a 2.0 percent annual rate in the second quarter of this year. The report of the contraction in the gross national product, the broadest measure of a nation's output of goods and services, coincided with an announcement that Japan's trade surplus expanded 7.5 percent in August to \$7.54 billion. The numbers added to a string of indicators in recent weeks that portray an economy slipping into lower gear, increasingly at risk of the wrath of trading partners and further appreciation of the yen. They also underscore the power of deflationary pressures weighing down the economy after the speculative excesses of the 1980s, and raise suspicions about whether a long-awaited pump-priming package due on Thursday can do more than prevent a more pronounced decline. "It's hard to put these numbers in a positive light," Peter Morgan, senior economist at Merrill Lynch in Japan, told Bloomberg Business News. "With GNP contracting and the trade surplus rising, everything's going the wrong way." The economic stimulation program, expected to boost a headline figure of up to 6 trillion yen (\$56.6 billion), will earmark funds for public works spending and low-interest loans to help home buyers and small companies. The spending will be coupled with plans to deregulate the economy, promote imports and pass on the benefits of the strong yen to consumers. Prime Minister Morihiro Hosokawa, who will hold his first summit meeting with President Bill Clinton later this month, will point to the program as strong medicine to revive the languid Japanese economy. Private-sector economists, however, say the real impact of the program will be a fraction of the advertised figure, perhaps as little as 1 trillion yen. "The package will provide a safety net and probably prevent a deeper slide, but it's mostly just announcement effect," said Mitsuko Sasaki-Smith, chief economist in Tokyo for Morgan Stanley & Co. "It won't be sufficient to convince the Americans that things will change." Doubts about the forthcoming program are widespread. This is in part because spending packages over the past 13 months, which pumped a purported 23.9 trillion yen into the economy, have failed to offset the strong deflationary pressures set off by the bursting of See TOKYO, Page 17

Kiosk

Airbus Lands Badly In Warsaw, 42 Hurt

WARSAW (AP) — A Lufthansa Airbus A-320 jetliner carrying 70 people ran off a runway, broke in two and caught fire trying to land in the rain at the international airport here Tuesday. More than 42 people were injured. Initial reports indicated there were no fatalities, but Lufthansa officials said later that two people — one of the two pilots and a German passenger — were unaccounted for. The flight had taken off from Frankfurt. Business/Finance Germany's economy shrank in the first half, but its trade surplus grew. Page 11. Spain and the EC ended a steel subsidies dispute. Page 13.

Book Review

Table with 2 columns: Dow Jones, Trib Index. Values: Dow Jones Down 18.45, 3,615.76; Trib Index Down 0.15%, 108.21. Also includes The Dollar section with values for DM, Pound, Yen, FF.

Paris Vows to Block Trade Talks If It Can't Limit Film Imports

Compiled by Our Staff From Dispatches PARIS — France opened a second front in its offensive against efforts to liberalize world trade on Tuesday, threatening to veto a GATT agreement if it removed France's barriers to American films and television soap operas. Culture Minister Jacques Toubon was quoted as saying that France would refuse to sign any accord that dismantled limits on imports of American films and television programs. The French rules are intended to promote European culture and the film industry by restricting viewing of cheap television series imported mainly from the United States. France had already threatened to veto a U.S.-European Community farm trade accord that is aimed at unblocking the long trade negotiations under the auspices of the General Agreement on Tariffs and Trade. "GATT rules are not compatible with an autonomous cultural system," Mr. Toubon said. Europe imports \$3.8 billion worth of audiovisual products every year, largely from the United States, and exports only \$250 million worth, he said. Meanwhile, the foreign minister of Belgium, Willy Claes, said Tuesday that no progress had been made in ending the dispute over the agricultural accord, known as Blair House, after talks in Washington. "The situation is not at all easy," said Mr. Claes, whose country now holds the EC presidency. See GATT, Page 12

9th Tourist Is Killed in Florida

The Associated Press MONTICELLO, Florida — Robbers attacked a British couple at a highway rest area near here Tuesday, killing the man and wounding his companion, authorities said. It was the second fatal attack on foreigners in Florida in a week and the ninth in a year. The victims, in an unmarked rental car, apparently were chosen at random. The state offered a \$10,000 reward for information in the case. The dead man was identified as Gary Colley, 34, of Wilden, England. His companion was identified as Margaret Ann Jagger, 35, of the same town. She was released after hospital treatment. The two were attacked at a rest stop on Interstate 10, in northern Florida. They were resting in their car when two youths approached and asked for money. "They woke up and tried to back out," a police spokesman said. "That's when they were shot."



SUPPORT FOR CLINTON — Three former American presidents — from left, Gerald Ford, Jimmy Carter and George Bush — joining Bill Clinton at the White House on Tuesday to lend their support to the North American Free Trade Agreement. Page 3.

Ants Make Fast Food of Amazon Town

By Don Podesta Washington Post Service ENVIRA, Brazil — They're red and tiny and they attack vegetables, animals and people. They've killed chickens, ducks, even turtles. And they're driving this town dead in the Amazon jungle to the point of despair. Fire ants believed to be of the species Solenopsis invicta, whose Latin name roughly means "fiery ants," are eating up Envira, a tropical town of barefoot children and wooden houses on stilts on the banks of an Amazon River tributary. Just about everyone in town has been bitten, and several youngsters have been hospitalized with ant stings, which can be fatal. The siege began more than three years ago and has been growing steadily worse. "Almost every family has had children attacked," said Mayor Luiz Castro. The residents of this town of 6,800 people tried everything they could think of to get rid of the ants — boiling water, pesticides, gasoline, diesel fuel, fire. Nothing worked for very long. The ants continued to multiply, dotting the town with thousands of anthills. Finally, earlier this year, the mayor asked the Brazilian government for help from outside, and the government turned to the U.S. Embassy in Brasilia. Last week, a three-man team from the U.S. Department of Agriculture arrived in Envira to study the ants and show residents how to spread a donated nontoxic chemical called Logic, supplied by the Swiss manufacturer Ciba-Geigy. The ants can cause stinging victims to go into anaphylactic shock, which is sometimes deadly. "People in the United States have died from one sting," a U.S. entomologist, David Williams, said. As he stirred an ant colony with a stick to force them out, he was stung three times. "These ants are extremely quick," Mr. Williams said. The ant toxin contains a small amount of protein, and "anytime a body is hit with a foreign protein, it reacts with a massive release of histamines," he said. The reaction can cause the victim's lungs to fill up and "you drown in your own fluids." Unlike honeybees, ants can sting hundreds of times. While no one in Envira has died from the ant stings, living with the invaders is proving increasingly unbearable for local residents. "Some nights you can't even sleep," said Mara de Lima, 17. Her cousin, Mariud de Lima, 18, said that she gets stung "every day, at any hour" and that "it hurts a lot." Youngsters in the street dis- See ANTS, Page 2

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Yugoslav Embargo Finally Takes a Bite

Neighbors Now Bar Smugglers

By John Pomfret
Washington Post Service

PROHOR PCINSKI, Serbia — Sixteen months after the international community imposed sanctions on Yugoslavia for its support of Serbian paramilitary forces in Bosnia, countries bordering Yugoslavia appear finally to be enforcing the embargo.

Despite the belated success of the trade blockade, which was strengthened by the United Nations Security Council in April, analysts are split as to whether it will achieve UN goals: the modification of Serbian behavior and peace in Bosnia-Herzegovina.

The embargo bans shipments of most goods to and from Yugoslavia by land and water, but exempts medicine, food and relief supplies and services. It blocks shipping through Yugoslavia on the Danube, freezes Yugoslav government and private funds abroad and calls on UN members to impound Yugoslav ships, trains and aircraft that violate the sanctions.

International efforts to enforce the embargo have been undermined by smugglers in many countries, with much of the contraband coming through Macedonia. During the summer, thousands of trucks and rail cars crossed to Serbia through at least five checkpoints on the border with Macedonia.

Under pressure from Western countries, including the United States, Macedonia on Sept. 6 shut its border with Serbia to trucks.

Bulgaria, another important source of goods coming into Serbia, has recently tightened its main land — railroad cars with certificates for Macedonia users that are diverted to Serbia. A Western embassy in Sofia found that from January to March, 2,000 railroad cars entered Serbia destined for Macedonia, but only 98 arrived.

"They've improved on that record a great deal," said a Western diplomat. "We've still got some problems, but everybody is getting better."

Under the supervision of Western customs officers, Romania and Hungary have also cut embargo violations across the Danube. Western officials in Belgrade say the main problems are Croatia and Slovenia, both of which fought the Serb-led Yugoslav Army to ensure

the independence they declared in 1991. Hundreds of trucks a day slip into Serbia carrying goods shipped through Serb-held territory in eastern Croatia.

"Money is stronger than war," said Jurij Bajec, an economist in Belgrade. "Besides, no sanctions can work 100 percent in this part of the world. We've been trading with each other for too long."

In Serbia, sanctions have played an important role in accelerating the hyperinflation that in the past year has nearly obliterated the value of the Yugoslav dinar.

Earlier this month, the central bank issued a 1 billion dinar note, a pinkish bill that, with an inflation rate of 15 percent per day, will soon be worth \$1. The federal parliament last week proposed a law that would strike six zeros off the currency in October.

Since the UN Security Council strengthened sanctions in an effort to stop the transshipment of goods through Serbia, the dinar has plummeted. Shortages of gasoline are now commonplace, and cigarettes are in short supply.

Some analysts fear the blockade and worsening economy will only reinforce a bunker mentality in Yugoslavia and strengthen ultranationalist forces.

According to Mr. Bajec, the economist, President Slobodan Milosevic finds the sanctions a convenient excuse for the country's economic woes. Starting this week, the government will ration food for the first time since 1948, a move for which most people on the street appear to blame the West rather than the government price freeze.

"Sanctions are a beautiful alibi for many things," Mr. Bajec said. "The only Serbs openly backing the embargo belong to the democratic opposition."

"People must realize that the sanctions will not be lifted unless the system is changed," said Danica Draskovic, a leading opposition figure.

The idea that Serbs are not guilty for the bloodshed in Bosnia is wrong," she said. "If people disagree with the policy of war and with the existing system, they should protest, but they don't. I see sanctions as the only way to make them realize that the road we're taking is the wrong one."

Mitterrand Falls Ill At Seoul Ceremony

The Associated Press

SEOUL — President Francois Mitterrand of France became ill and vomited into a handkerchief as he was signing the guest book at South Korea's presidential mansion Tuesday.

Mr. Mitterrand, who had arrived two hours earlier for the first visit by a French head of state, changed into clean clothes and was 30 minutes late for talks with President Kim Young Sam.

Korean aides said Mr. Mitterrand, who is 76 and has prostate cancer, felt dizzy, then suddenly sat down in a chair near the guest-book stand, holding a handkerchief to his mouth.

With the South Korean president looking on worriedly, aides and security guards rushed Mr. Mitterrand to a restroom.

He vomited and asked for his personal doctor, who was accompanying him on the trip, Korean aides said. He remained there about 20 minutes, changing into clean clothes and emerging wearing a light gray suit and shirt, they said.

The Yonhap news agency reported that Mr. Mitterrand had seemed faint while watching an honor guard, just before signing

the guest book, and had been assisted when he entered the mansion.

The French Embassy said later that Mr. Mitterrand was doing fine and that there would be no other comment. The president disclosed last year that he was being treated for prostate cancer.

After the incident, President Mitterrand's wife, Danielle, told Mr. Kim's wife, Sohn Myong Sun, that the voyage had been fine, but that there appeared to have been "a problem with food." The two first ladies met while their husbands were conferring in a separate room.

The French also asked the South Koreans to lower the temperature in the mansion, apparently to make Mr. Mitterrand more comfortable.

When he arrived, Mr. Mitterrand looked well and smiled and chatted with South Korean officials who met him at the airport. He laid a wreath at the national cemetery and was the guest of honor at a state dinner following his talks with Mr. Kim.

The visit is the first by a French president since the nations established ties in 1949.



A military attaché aiding Mr. Mitterrand as he entered the presidential mansion of Kim Young Sam in Seoul on Tuesday.

Norway-EC Talks To Proceed Despite Distaste of Voters

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community said Tuesday that it would continue talks on Norwegian membership even though Oslo's hopes of joining were dealt a severe blow by Norwegian voters on Monday.

"It's not going to change our policy," a European Commission official said. "That will be the affair of the Norwegian government. I do not think it will have any influence on our negotiations."

Norway's minority Labor government held on to power and even made moderate gains in the elections, but its plan for EC membership was hit hard when the anti-EC Center Party was the big winner on an anti-EC ticket.

Under Norway's constitution, at least three-fourths of the 165-seat parliament would have to approve membership. According to projections based on the incomplete vote count, opponents of the Community, who need 42 seats to block membership, could finish with up to 74 seats.

The result we have is the backing needed to step up the fight against the EC in parliament," said the chairwoman of the Center Party, Anne Enger Lahnstein, 43, after

her party's best election ever. "We will do that."

Norwegians voted no to EC membership in a bitter referendum in 1972, the last time they were asked, and a recent opinion poll showed that 58 percent of voters opposed EC membership.

The Center Party feels EC membership would mean sacrificing Norway's sovereignty to Brussels and giving away control over natural resources such as North Sea oil and fisheries — issues which will be hammered out in membership talks this autumn.

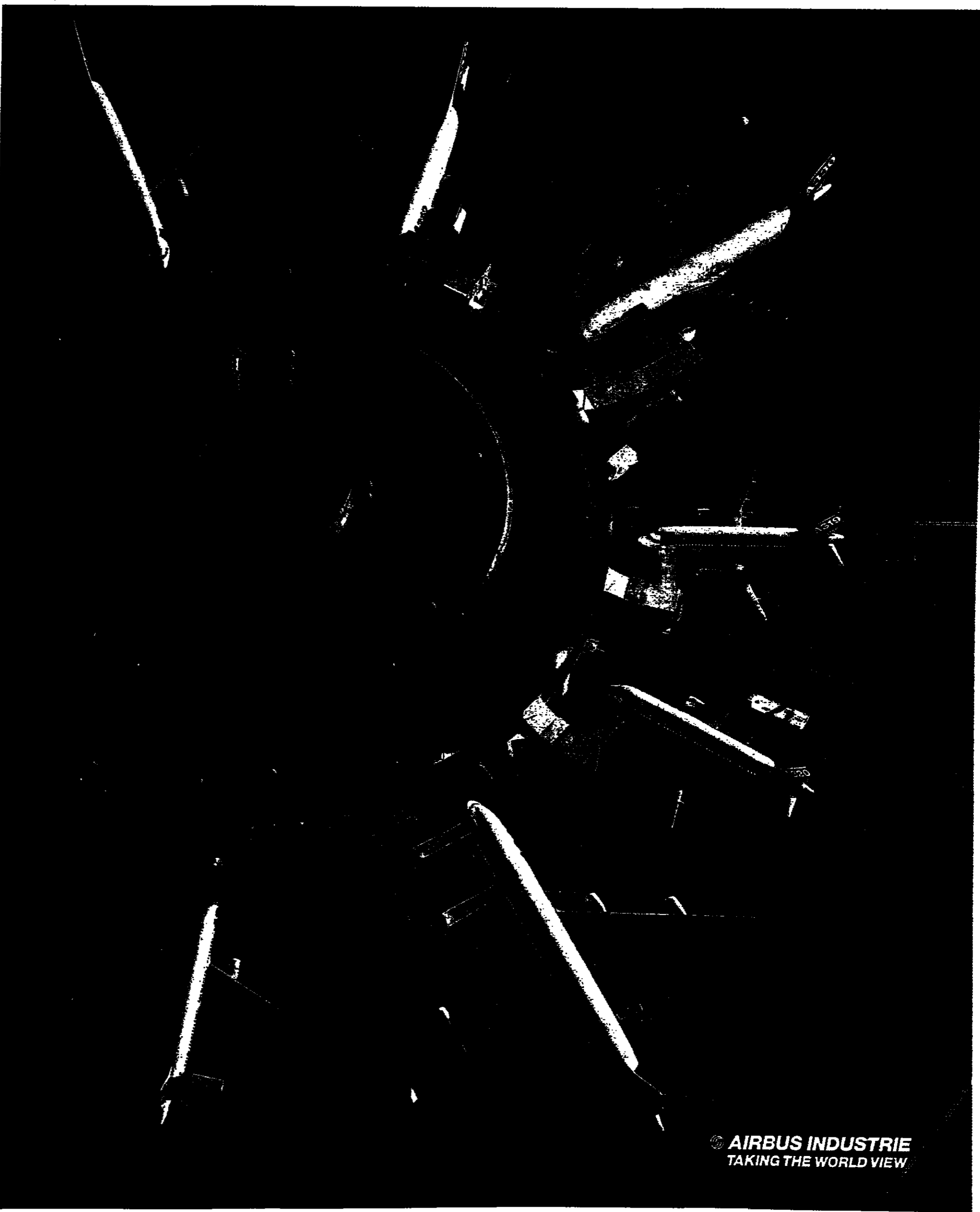
Final election results may not be known until Thursday, because a computer voting system failed in the capital, where more than 10 percent of Norway's 4.3 million people live. In the worst case, Oslo may be asked to vote again.

With 89.1 percent of the vote counted, Labor had 37.2 percent, up from 34.3 percent in the last national election in 1989.

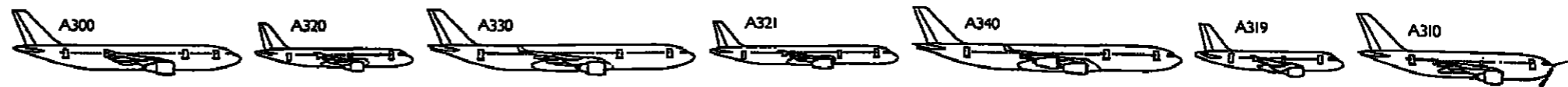
But the voters gave Center 18.6 percent of the vote, almost tripling its 6.5 percent in 1989. Projections put Center second only to Labor in the parliament. The pro-EC Conservatives got only 15.4 percent, down sharply from 22.2 percent in 1989. (Reuters, AP)

If you think Airbus Industrie makes only one aircraft, maybe this will change your view.

Airbus Industrie has achieved a 30% share of the international civil aviation market because its long-term business strategy, based on a clear vision of the world's air transport needs, has created not just one aircraft but a family of seven: including the world's largest twin-aisle twin and the longest range jetliner in aviation history. Sales of all seven members of the Airbus family now total nearly 2000 aircraft worldwide.



AIRBUS INDUSTRIE TAKING THE WORLD VIEW



Serbian Rebels Down A Croatian Warplane

By David B. Ottaway
Washington Post Service

ZAGREB, Croatia — Serbian rebels Tuesday shot down a Croatian Air Force MiG warplane that was seeking to destroy missile-launching sites in Serb-held territory in southwestern Croatia, according to diplomatic sources.

The fledgling Croatian Air Force sent four MiG-21s on the raid, breaking the government's self-declared 24-hour cease-fire in what has become the worst outbreak of fighting since the end of the Serbian-Croatian war in January 1992.

The Croatian Army has seized three villages in Serb-held territory in the Krajina area of southwestern Croatia, while the Croatian Serbs have fired thousands of artillery and mortar shells into Croatian towns and put an oil refinery at Sisak out of order.

The worst-affected Croatian town, Karlovac, was reported by the state-run radio to have received a total of 2,500 shells since Thursday, resulting in the death of 4 people and injuries to at least 15.

The engagement of the four Croatian MiGs for the first time in the fighting lent credence to diplomatic reports that Croatia had successfully circumvented the UN arms embargo.

The reports also said that the MiGs had been transported in kits by truck from Hungary. The reports were unclear about the origin of the planes.

Croatia previously was known to have only two MiGs, which were seized from the old Yugoslav Air Force when Croatia broke away and declared its independence from Yugoslavia in June 1991. One of the two was in Austria but has reportedly now been returned here.

The four MiGs involved in the raid Tuesday were reported by dip-

lomatic sources to have gone out in search of the site from which the Serbian rebels fired a Soviet-made unguided Frog-7 missile that landed Saturday in a suburb of Zagreb. The missile, which has a range of 70 kilometers (45 miles), can carry up to 450 kilograms (1,000 pounds) of high explosive.

It was not known here Tuesday whether they had succeeded in finding and bombing any such sites or had attacked other targets.

The rebels' radio said that one MiG had been shot down near Vrginmost, about 50 kilometers south of Zagreb, and that the pilot had been killed in the crash.

The Croatian state radio confirmed the loss of the MiG by hostile fire.

Meanwhile in Geneva, President Franjo Tudjman and the Bosnian president, Alija Izetbegovic, signed an agreement aimed at ending the fighting between Bosnian Muslims and Croats in central and southwestern Bosnia.

The two leaders set Sept. 18 as a deadline for ending all fighting between the warring faction and Sept. 21 for freeing each other's prisoners from detention camps. They also pledged to stop blocking the passage of UN convoys carrying humanitarian relief supplies into central and southern Bosnia.

The Bosnian Croats have come under heavy pressure, particularly from the United States, to release thousands of Muslims being held in conditions reminiscent of Nazi concentration camps.

However, the leader of the Bosnian Croats, Mate Boban, was not present at the meeting between Mr. Tudjman and Mr. Izetbegovic, raising questions whether this agreement had any better chance of being implemented than dozens of others that have been ignored.

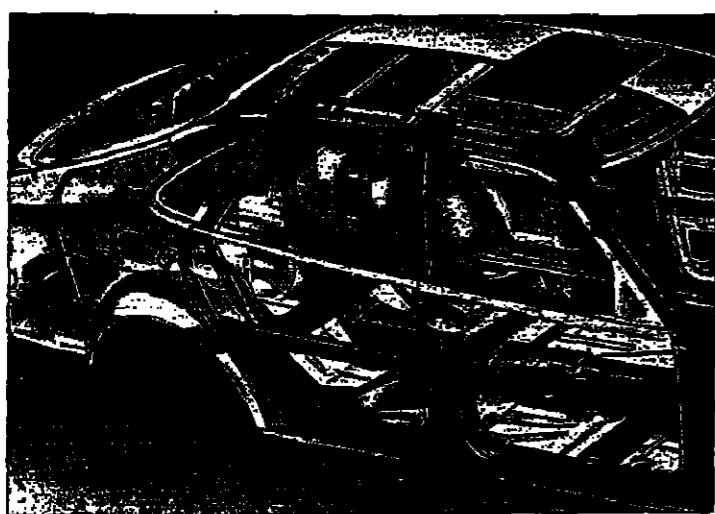
On November 16th, the IHT will publish an Advertising Section on

BUSINESS TRAVEL

- Among the topics to be covered are:
- Airlines — doing their best to reattract business customers.
- Increased specialization into niche markets.
- The prominence of security in the business travel market.
- Motivational travel emerging as a travel incentive.
- The economic boom in Asia — more than 50 new airlines in the last 5 years.

This section coincides with the World Travel Market in London, November 16-19. For advertising information, please contact Juanita Caspari in Paris at (33-1) 46 37 93 78.

Herald Tribune



Passengers are protected in a steel safety cage.

The new Saab 900's door handle is intentionally-recessed to reduce wind-noise. With your palm up or down it offers a firm grip. Well appreciated in bad weather or emergencies.

The front was hit at 56 kph.
Designed to crumple, it absorbs and distributes collision forces. The driver-protection system includes seat-belt with pretensioning, airbag, collapsible steering column and our patented A-pillar/front sill connection, reducing leg injury risk by helping to deflect the front wheel from intruding into the cabin during an offset frontal collision.

The rear was struck at 48 kph. Our new Saab 'Safeseat' concept features a unique new steel beam assembly, offering all three occupants three-point

team has worked beyond test-track and laboratory, analysing real-life road accident data. The car bristles with safety features which apply in all markets, not only where legislation demands.

FINALLY, AN UNUSUAL SAFETY ENDORSEMENT.

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THE NEW 900. VERY STRONG. VERY SAFE. VERY SAAB.

Totally practical and thoroughly considered, since every Saab design solution is influenced by considerations of Active and Passive Safety.

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Active Safety? Avoiding accidents in the first place. We match our chassis resonance to that of the human body with prompt and precise signals. (Germany's authoritative "Auto, Motor und Sport" magazine: '...a high level of performance and comfort owing to a sporty and comfortable chassis'.)

The driver receives an uninterrupted flow of vital signals enabling corrective or compensative action.

Perhaps explaining the uncanny feeling of security and harmony that accompany even your initial drive.

By increasing chassis rigidity, we have improved handling and driving behaviour consistently across all speeds and loading conditions increasing the car's predictability, an advantage that could be decisive for accident avoidance.

MOVING TO 'PASSIVE' SAFETY.

Over one hundred prototypes were deliberately crashed. A three-way collision simulated effects of a multiple accident.

inertia seat belts and individual head restraints*. The lower seatframe also acts as a cross-member reinforcing side-protection (the rear seat backrest can be optionally equipped with two foldable child seats).

It was rammed in the side at 54 kph. All doors are packed with shock-absorbent foam. The side-protection-system deforms defensively while absorbing collision force. Occupants are housed in a reinforced steel safety cage that deflects high-speed collision forces. Result? A battered new 900 with safety cage intact. Passengers would have been shaken, but alive. For 25 years, our safety engineering

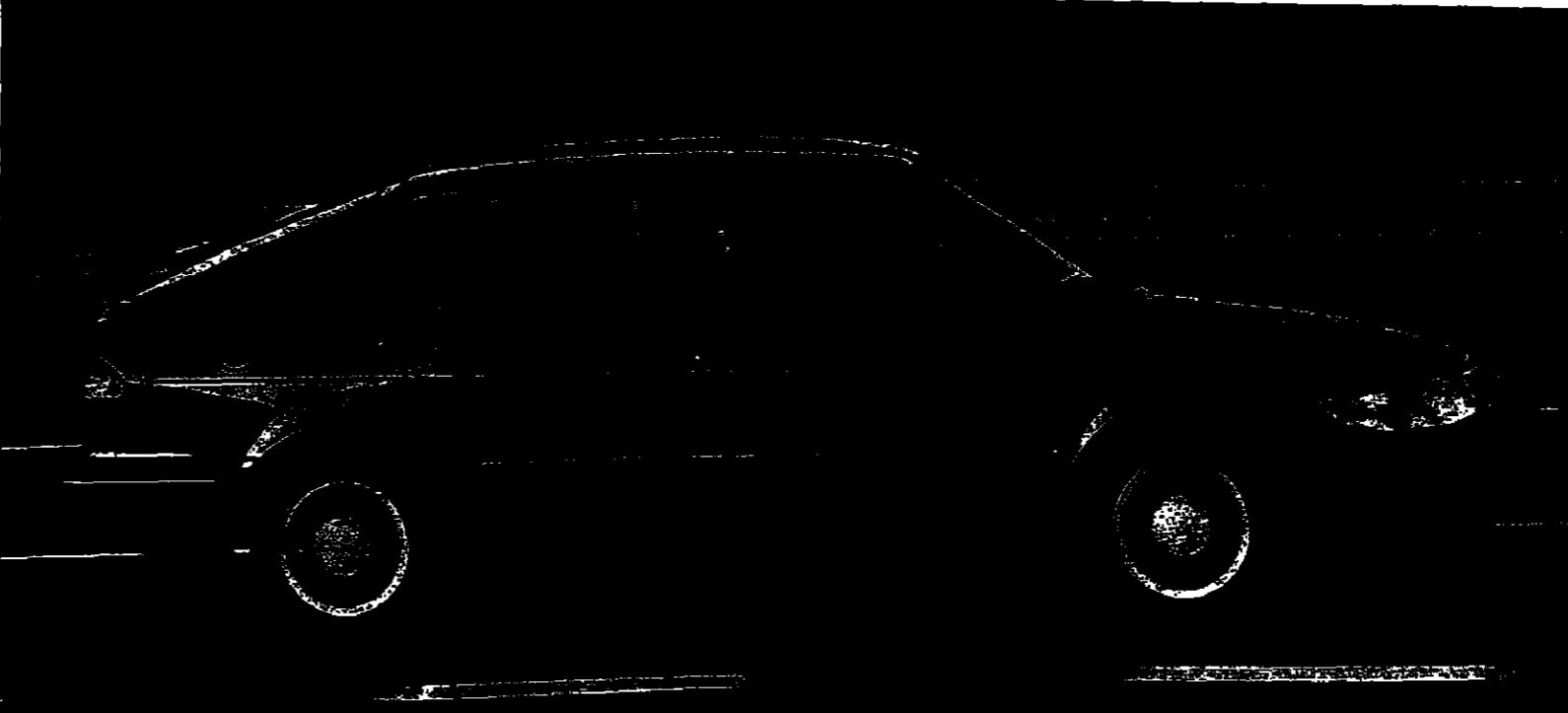
car. Based on the identical design philosophy, our tests indicate that the new 900 is equally as safe. Other insurers agree, endorsing the new 900's safety and stability by, in most cases, reducing premiums below other cars in its class. Very sensible. Very satisfying. And very Saab.

THE NEW 900. VERY SAAB.



SAAB

*Centre head restraint is an option.
Specifications and standard equipment may vary by market. Consult your nearest Saab retailer.



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OPINION

Clinton, Like Truman, Gropes in a Changed World

By Jim Hoagland

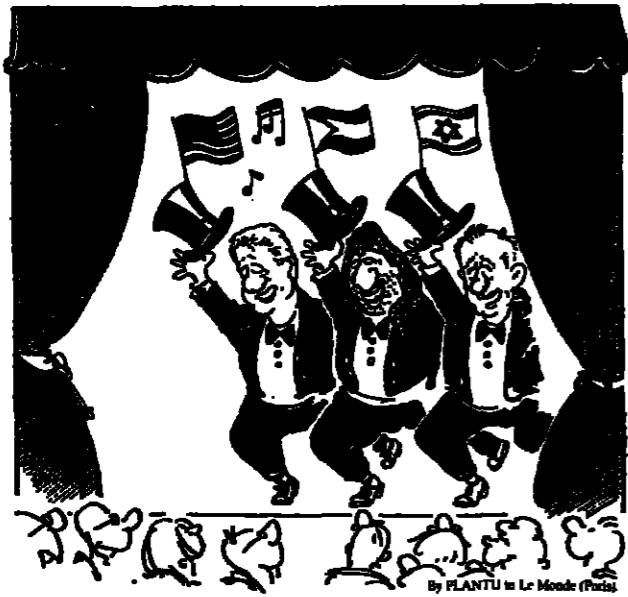
WASHINGTON — In the Cold War, cartoonists and writers popularized the imagery of an American president playing chess, or perhaps poker, against the Soviet adversary.

chess it is "Twenty Questions." The president's mild irony captures the fast pace and puzzling spins of the new foreign policy game played by world leaders.

secretary of the Israeli-Palestinian deal demonstrated U.S. diplomatic weakness. Back-channel talks were the best, and probably only, way for the PLO and Israel to reach an agreement that they would honor fully.

standby force authorized by Article 43 of the UN Charter. Moreover, the directive requires still unspecified arrangements to keep in U.S. hands ultimate command authority over American units.

tion of Haiti and hundreds of thousands of people being killed in Somalia. He added: "I recognize we cannot solve every problem everywhere. We need mechanisms to sort out the places where we do have an opportunity."



On the Arab side, he has worked the telephone hard to get King Fahd of Saudi Arabia and Hafez Assad of Syria to accept the Palestinian bid for peace.

Unfazed by carping on the Middle East, Mr. Clinton is seriously nettled by what he sees as ill-informed criticism from the right that he is giving away U.S. sovereignty to the United Nations.

for in the past; countries that seem to have no way out of civil destruction and disorder which, if not curtailed, might spread.

For a Sweet New Year in Germany

By Michael Kallenbach

BERLIN — Before Hitler came to power, 170,000 Jews lived in Berlin. They were the motor for much of the city's intellectual and economic power.

Why should Germans know of the Jewish tradition of taking the scrolls out of the ark during Sabbath services, or the bar mitzva, which signifies the transition from boyhood to manhood?

They identify more easily with the likes of Moses Mendelssohn, the Enlightenment philosopher who led Berlin's Jews from cultural seclusion to a degree of assimilation, or with well-known Jewish artists, painters and writers.

LETTERS TO THE EDITOR

Cementing the Peace

Regarding "Cement Peace Here and There With Development" (Opinion, Sept. 10) by Adnan M. Khashoggi:

Mr. Khashoggi's ideas deserve the world's attention. It is inherent in all conflicts that the resources of the adversaries are dissipated and consequently the people on both sides suffer terribly.

Right Idea, Wrong Site It is a mistake of considerable magnitude for the Israelis and the Palestinians to have succumbed to White House temptation.

The Price of a Life

Regarding "Is High-Tech Life-Saving Noble or Simply a Waste?" (Opinion, Sept. 1):

Ronald Dworkin refers to the attempt to save the life of Angela Lakeberg as the continuation of the "rescue principle," in which patients whose chances for survival are slim are kept alive at high cost to the finances and resources of our society.

informed that I had only a slim chance of survival. I spent the first 13 months of my life in the neonatal intensive care unit of the Children's Hospital of Philadelphia.

medical procedures on a solely economic basis. SCOTT McBRIDE, Paris.

Difference in Deputies

Your reporting on the French soccer scandal persists in identifying Jacques Mellick as "deputy mayor" of Bethune.

America's Religious Right Again

By David S. Broder

WASHINGTON — The meeting here last weekend of Pat Robertson's Christian Coalition was an instructive event.

some voters in the process. Mr. Buchanan was apparently the crowd favorite at the Christian Coalition convention.

the coalition to imply that those who disagree with it "have taken an un-Christian position."

A dozen state Republican organizations are either run by or heavily influenced by Christian Coalition adherents. The television evangelist's group is active in campaigns this fall from Virginia to California.

Speakers like Jack Kemp, Bob Dole and Phil Gramm took this talk seriously and focused their remarks to the Christian Coalition last weekend on those mainstream economic matters.

During the summer, Mr. Reed had put the organization four-square behind approval of NAFTA. "NAFTA means 150,000 jobs," he said then, "and jobs are at the heart of the pro-family agenda we promote."

considering the current U.S. economic policy of focusing on internal recovery, Mr. Khashoggi's suggestion is possibly the most workable idea for funding the realization of long-lasting peace in the Middle East.

Mr. Khashoggi shows us an exciting direction for the world. We should urge our various governments to let him take leadership to make his program work for countries like Sudan and Somalia.

BY JUDITH M. MENUHN, London.

BOOKS

A VERY LONG ENGAGEMENT

By Sébastien Japrisot. Translated from the French by Linda Coverdale. 327 pages. \$23. Farrar, Straus and Giroux.

Richard Eder.

PROCRUSTINATION is the heart of writing, and by that measure, this review starts off with a lot of heart. You can struggle for days, not to say what you want but to resist saying what you don't want.

we come thrillingly to see, there is nothing in the least ordinary about Mathilde. But in 1919, a letter comes from a sergeant in a nearby veterans' hospital; he is dying and wants to see her.

To explain the quest and the intuitive and subliminal detecting that propel Mathilde and her wheedling chair into literary splendor, there is the scrap of history out of which Japrisot has fashioned his novel. In 1915, after a year of mud and mas-

sacre in stinking trenches, French soldiers were shooting themselves in the hands or feet to get invalidated out. General Philippe Pétain, the hero of Verdun and, in 1940, of the Vichyites, wanted to shoot 25 of them.

It is impossible to describe all the different things the author succeeds in doing without making this into a list; still less is it possible to convey how he does it. His close-ups and panoramic views are not only equally intense and compelling, but they merge. There is hardly a detail that does not tell far more than itself.

Japrisot, lucidly translated by Linda Coverdale, gives us not only the story but its characters in a series of successive passes, each of which uncovers a new layer of color and configuration.

As for Mathilde, her evolution and revelation is both similar and different. She begins with immense charm, but with elements of snobbery, willfulness and sentimentality. She becomes a genuine heroine — not of courage and persistence, merely, but of sheer brainy energy — yet the other qualities remain. We do not so much change as grow, Japrisot suggests, and nothing is lost. There is a brilliant light on her from beginning to end, and her only mystery is that of a life lived so completely as to entirely fulfill itself.

Las Angeles Times Service

20/20 Foresight or 20/20 Hindsight? Your choice.

"It is very hard to predict the future but usually the best way is to go back and take a running start" Marvin Minsky - MIT

BEYOND 2000 is an intelligence report which draws from the combined knowledge of these selected international leaders. The report gives decision-makers a unique, comprehensive and highly pragmatic picture of the future of communications as we move towards the year 2000 and its uses and applications in all areas of economic activity.

Financial Times Television, in co-operation with the World Economic Forum, has distilled a huge volume of information in an accessible and compelling way. If you want to be prepared for the revolutionary and critical changes ahead, you cannot afford to be without this knowledge.

The package is made up of a selective documentary programme of two hours, two further videos of eight hours of edited interviews, an illustrated text, interview transcripts and a Financial Times business intelligence report.

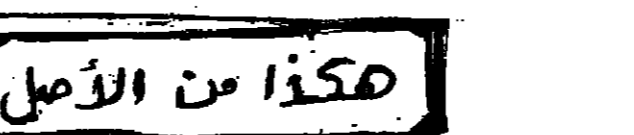
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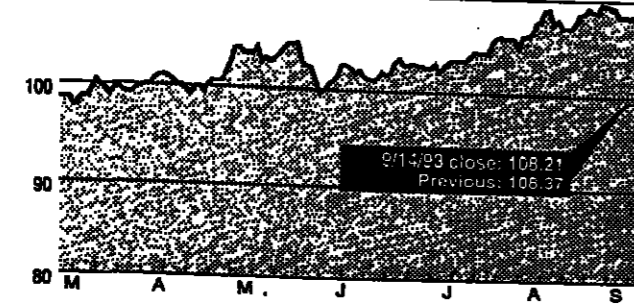
International Herald Tribune, Wednesday, September 15, 1993

Page 11



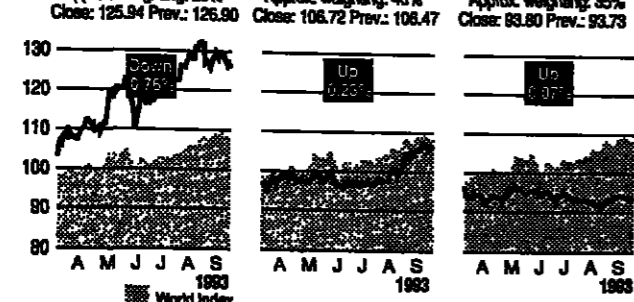
THE TRIB INDEX: 108.21

International Herald Tribune World Stock Index of 20 countries, composed of 290 internationally investable stocks on 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia; Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Asia/Pacific: 125.94 (Prev: 126.90), Europe: 106.72 (Prev: 106.47), N. America: 98.80 (Prev: 99.73)



Industrial Sectors	Yr. close	Prev. close	% change	Yr. close	Prev. close	% change	
Energy	109.72	108.82	-0.09	Capital Goods	103.54	103.78	-0.24
Utilities	113.48	114.58	-0.96	Raw Materials	105.28	105.72	-0.42
Finance	118.77	119.00	-0.19	Consumer Goods	90.74	90.49	+0.28
Services	115.68	117.07	-0.33	Miscellaneous	111.39	111.20	+0.17

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92821 Neuilly Cedex, France.

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MEDIA MARKETS

As Bookstores Get Bigger, Are They Getting Better?

By Sarah Lyall
New York Times Service

CHICAGO — To understand something of the sea change taking place in bookselling across the United States it helps to visit the flagship store of Kroch's & Brentano's, Chicago's proud old bookstore chain, and take a look down the street.

There sits the new age of bookselling, a six-month-old Crown Books superstore that offers a dizzying number of titles, a no-frills feel and, most important, steep discounts on every book. "If you paid full price, you didn't buy it at Crown," is the chain's motto, and that was exactly why Margaret Geary, 33, of Chicago was in the store looking for a computer book recently.

Ms. Geary knew that Kroch's & Brentano's had closed half of its 20 stores, citing changing consumer habits and too-strong competition from national chains. "I feel bad for Kroch's because they've been around for so long," she said. "But do I feel bad about shopping here instead? No, because I want to save money."

What is happening, here and around the country, is nothing less than a full-scale war over the future of bookselling — not just over where books are sold, but very possibly over how they are published, distributed and marketed.

On one side are the independent bookstores, many founded years ago by people who always seemed to know more about books than about business, and who made their mark with intimate understanding of their customers' tastes. Opposed are the national chains, which are using classic retailing strategies to flood the market with stores that offer discounts, coffee bars and reading nooks but which, in the minds of independents, seem to care more about profits than books.

It is not just Crown that is threatening Kroch's. Virtually every major national bookstore chain has muscled into the Chicago market, blanketing its downtown and suburbs with names like Barnes & Noble, B. Dalton, Waldenbooks, Borders and even Waterstone's, the British chain. Many of the new stores are superstores, which can offer more than 100,000 titles.

"I think many independents are going to find it difficult to compete with the superstores," said Walter Loeb, a retail consultant in New York. "Many of them don't have the assortment and the

Books have gone the way of toothpaste — who can sell more for less.

See BOOKS, Page 13

Deep Loss Is Seen At SEAT

It Plans Job Cuts, Plant Sale to VW

AFP-Euro News
BARCELONA — SEAT SA expects a loss of around 100 billion pesetas (\$783 million) this year, and will undergo a restructuring that includes an injection of funds from its parent, Volkswagen AG, and may involve work force cuts, the Spanish automaker said Tuesday.

The loss forecast for SEAT is larger than one of about \$550 million given by Volkswagen last week when the German company said it would itself post a loss for 1993 as a result of the problems at SEAT.

SEAT, whose full name is Sociedad Española de Automóviles de Turismo, had a net loss of 12.76 pesetas in 1992.

The Spanish company, 99 percent held by Volkswagen, said that its board had approved the sale of SEAT's Pamplona plant, which makes VW Polo cars, and the financing company FISEAT to Volkswagen. The parent would in return inject 120 billion pesetas into SEAT.

"This is a first step on the road to a definitive restructuring of the Spanish company and is also a confirmation of Volkswagen's confidence in SEAT's future," SEAT said.

The board has asked SEAT's executive committee to draw up a restructuring plan for the company and to "adopt all the necessary measures, including the reduction in work force," SEAT said.

SEAT, reiterating a statement it made early this month, said its serious financial situation stemmed from the high costs of investment and the 30 percent depreciation of the peseta against the Deutsche mark in the last 12 months.

The company said the costs of renovating the range of cars built at the plant and the decline in sales in the main European markets have also affected SEAT's financial situation.

GM Returns to Argentina

Venture Seen as Vote of Confidence

By Nathaniel C. Nash
New York Times Service

BUENOS AIRES — Fifteen years ago, General Motors Corp. left Argentina, fed up with corrupt military governments and economic policies that produced only inflation and instability.

For Argentina, the closing of GM's two plants was more than just the departure of a giant foreign corporation. It symbolized industrial descent, a country abandoned by most international businesses.

But things change, and GM has now come back to Argentina. Last month, President Carlos Saúl Menem signed an agreement reopening the country's doors to the world's largest automaker. In a joint venture with Cidec, the local assembler and distributor of Renault cars, a \$100-million factory is scheduled to start making GM pickup trucks next year, eventually producing 25,000 a year.

Just as GM's departure in 1978 was an emblem for Argentina's breakdown, the company's return is a sign of revival, a signal that rejuvenating policies — open markets, low inflation, stable currencies and sales of state-run enterprises — are believed to be here to stay.

"This is an international vote of confidence of enormous proportions, to have the world's largest industrial company models in the United States, Latin American sales are nevertheless creating income when carmakers are struggling to be profitable in their largest markets."

Latin sales are exploding, in fact. In 1990, fewer than 100,000 cars were sold in Argentina. Then came Mr. Menem's economic changes and a lowering of tariffs. Car sales rose 40 percent in 1991, doubled in 1992 and are up 40 percent so far this year. Auto-company executives esti-

German GDP Contracted 2% In First Half

Compiled by Our Staff From Dispatches
BONN — The German economy contracted 2 percent in the first half of 1993, but the trade balance showed an unexpectedly big surplus, the government said Tuesday.

Meanwhile, the Federation of German Industry issued a gloomy report on the country's economic prospects. While it said the downturn was coming to an end, the federation warned against a "preliminary interpretation" of recent data as signs of a recovery. "Negative indicators outweigh tentative positive signs by far," the group cautioned.

The economy remains bogged down by weak demand, the sluggish U.S. recovery, the appreciation of the mark and curbs in public spending, the report said.

The government said united Germany's gross domestic product shrank 2 percent in the first six months from the year-earlier period.

In the former communist Eastern Germany, the economy grew 6.2 percent in the first half of the year, slower than the 10.1 percent growth rate seen in the second half of 1992. Figures released last week showed west German GDP dropped 2.6 percent in the first half.

Economics Minister Günter Rexrodt hailed the east German growth figure as evidence that recovery was well under way in the depressed region and said the government's forecast of 5 percent growth there this year might be exceeded.

American to Cut 5,000 Jobs

The Associated Press
NEW YORK — American Airlines plans to slim down by cutting 5,000 jobs by the end of next year, retaining jets and eventually selling assets such as maintenance bases, the company's leader said Tuesday.

The airline plans to eliminate 5 percent of its work force between now and the end of 1994, Robert L. Crandall, chairman and chief executive of AMR Corp. told reporters and Wall Street analysts. The figure of 5,000 includes management job cuts of around 650 announced earlier, said AMR's American parent.

Overall next year, American Airlines is scheduled to reduce its capacity to fly passengers by 4.5 percent, Mr. Crandall said.

The airline plans to retire 11 DC-10s in addition to

the 31 already planned for grounding, he said. He added that American also plans to reduce some of its trans-Atlantic flights this winter.

The airline has suffered losses of more than \$1.2 billion since 1990 because of pricing wars such as the one that broke out this week, a decline in passengers and a glut of capacity.

To deal with the situation, Mr. Crandall has worked to shrink the company, steering away from money-losing routes and concentrating on profitable operations, such as advising other airlines.

The stock market reacted coolly to the new cost-cutting measures, and AMR's stock fell 75 cents a share, to \$64, in late New York Stock Exchange trading.

On trade, the Statistics Office said

Compaq, Allies to Sell 'Mobile Companion'

Unit Would Compete With Newton

Compiled by Our Staff From Dispatches
HOUSTON — Compaq Computer Corp. announced Tuesday that it would develop with Intel Corp. and Microsoft Corp. a \$500 "mobile companion," a portable personal computer that would compete with Apple Computer Inc.'s Newton.

The new hand-held product, to go on sale next year, would lag behind the first generation of personal communicators shipped by rivals, including Apple Computer Inc., which said Tuesday that it has sold about 10,000 Newton MessagePads since they went on sale at the beginning of August.

"Alliances, powerful alliances are key to success in developing products that merge the personal computer with communications and entertainment functions," said Eckhard Pfeiffer, Compaq's president, at the opening of Compaq's Innovative '93 conference here. Intel and Microsoft are market leaders in semiconductors and software, respectively.

"We can't afford to develop this new class of products on our own," Mr. Pfeiffer said. He said Intel and VLSI Technology Inc. have jointly devel-

oped a set of chips that combine PC functions with the memory, video and audio requirements of a mobile companion. The mobile companion alliance strengthens ties among Compaq, Microsoft and Intel, and pulls in VLSI Technology Inc., of which Intel owns a 16 percent.

The planned product, to be designed and sold by Compaq, will be a highly portable extension of user's primary desktop or notebook PCs, Compaq said. Originally, it will weigh two pounds (900 grams), but Compaq expects to shrink it to one pound. Apple's Newton MessagePad weighs 0.9 pound.

Compaq said the instruments could be used for instant information access. They are targeted, at least initially, for business users.

The Newton MessagePad, Apple's product, is a hand-held computer that fits into a jacket pocket, costs about \$700 and acts a kind of electronic diary.

"The product is off to a very good start," John Sulley, the Apple chairman, said at Forrester Research's technology forum. "We have a huge backlog right now." (Bloomberg, AP)



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During the Renaissance, trusted advisors helped administer the finances and protect the interests of private individuals. The role demanded judgment, commitment and skill. Today, clients find that same personal service at Republic National Bank. We believe that banking is more about people than numbers. It's about the shared values and common goals that forge strong bonds between banker and client. It's also about building for the future, keeping assets secure for the generations to come.

This client focus has contributed to our leading position in private banking. As a subsidiary of Safra Republic Holdings S.A. and an affiliate of Republic New York Corporation, we're part of a global group with more than US\$4 billion in capital and US\$46 billion in assets. These assets continue to grow substantially, a testament to the group's strong balance sheets, risk-averse orientation and century-old heritage.

All banks in the group are locally managed, attuned to the language and culture of their customers. They share a philosophy that emphasizes lasting relationships and mutual trust. These values were once the foundation of banking. At Republic, they have been and always will be.

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CURRENCY & INTEREST RATES

Cross Rates												Eurocurrency Deposits											
Sept. 14				Sept. 13				Sept. 14				Sept. 13				Sept. 14							
City	Rate	Change	Unit	City	Rate	Change	Unit	Country	Term	Rate	Unit	Country	Term	Rate	Unit	Country	Term	Rate					
London	1.2500		\$/£	London	2.90		\$/£	Germany	1 month	4.50	DM	Germany	1 month	4.50	DM	France	1 month	4.50	FF				
New York	1.5000		\$/¥	New York	3.00		\$/¥	France	1 month	4.50	FF	France	1 month	4.50	FF	Japan	1 month	4.50	¥				
Tokyo	100.00		¥/\$	Tokyo	3.25		\$/¥	Japan	1 month	4.50	¥	Japan	1 month	4.50	¥	Switzerland	1 month	4.50	Sfr				
Singapore	1.3500		\$/S	Singapore	3.50		\$/S	Switzerland	1 month	4.50	Sfr	Switzerland	1 month	4.50	Sfr	Australia	1 month	4.50	A\$				
Australia	1.4000		\$/A\$	Australia	3.75		\$/A\$	Australia	1 month	4.50	A\$	Australia	1 month	4.50	A\$	Canada	1 month	4.50	C\$				

1500

EUROPE

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000
most traded securities in terms of dollar value. It is
updated twice a year.

Table with multiple columns listing stock symbols, prices, and market data for various companies.

Accord With Spain
Boosts EC Remake
Of Steel Industry

BRUSSELS — The EC Commission said Tuesday it had negotiated an agreement with Spain over subsidies that should help its effort to restructure the steel industry throughout the Community.
A spokesman said the accord, which the commission was about to approve in outline, involved reduced state aid and the privatization of a planned steel mill.

BT, Santander
In Data Venture

MADRID — British Telecom PLC and the Spanish banking company Grupo Santander SA are creating a venture to provide data communications to Spanish businesses, the partners said Tuesday.
The director-general of the new company, Teofilo del Pozo, said the company expected annual revenue of 100 billion pesetas (\$780 million) by 2003, based on its market share forecast and growth projections.

GM: Argentina Hails Automaker's Plan to Return as Vote of Confidence

Continued from Page 11
Another drawing point is that union militancy has significantly diminished in Argentina. When General Motors left in 1978, the cost of shutting down the two plants was estimated at as much as \$200 million, mainly for severance pay for production workers.
Beginning next year, General Motors plans to begin production in a converted warehouse that now stores spare parts for Cidea. Of the \$100 million investment, GM will put up \$80 million and Cidea \$20 million. The factory will produce Chevrolet pickup trucks selling for about \$22,000 each.

BOOKS: As Stores Get Bigger, They Push Independents Out of Business

Continued from Page 11
Chicago is an extreme example, but the bookstore wars are being fought across the United States.
The independents may miss "predator," but Glenn E. Hemmerle, the chairman and chief executive of Crown Books, says, "We're a free-market economy; that's the nature of the beast."
Strategies vary from chain to chain, with Barnes & Noble promising that each of its stores will reflect its community and Crown seeking a McDonald's-like uniformity from store to store. But all the major chains have moved decisively, taking the example of retailers in industries like home furnishings and toys to open one-stop shopping behemoths.

AGENTINE REPUBLIC
PROVINCE OF SANTA FE
NOTICE OF INTERNATIONAL PUBLIC BID No. 2
MINISTRY OF FINANCE
Financial Improvements and Economic Development
Program of the Argentine Provinces
PROVINCIAL EXECUTION DEPARTMENT
WORK EXECUTION
Reparing of provincial road No. 65
(Las Rosas-San Genaro stretch)

ALTHEIMER & GRAY
Announces The Opening Of A Third Office
In Eastern Europe in
KIEV, UKRAINE
and that
JAROSLAWA ZELINSKY JOHNSON
Has Joined Our Firm As A Partner & Director
of Our Kiev Office
and
YURI V. SAMOILENKO
Has Joined Our Firm
Altheimer & Gray will undertake matters including:
Joint Ventures, Privatizations & Acquisitions
Real Estate Development, Architecture & Construction
Manufacturing, Agribusiness & Telecommunications
Banking, Finance & Insurance
Licensing & Distribution

Japan Insurers' Money Stays Home

Rigid Rules Keep Them Out of U.S. Bond Market

Bloomberg Business News
 TOKYO — Japan's mammoth life insurance companies, once major investors in U.S. Treasury securities, have largely missed out on one of the most dramatic bond-market rallies in U.S. history.

At a time when U.S. bond yields are hitting record lows, Japan's insurers have been only minor players in recent Treasury auctions, because of what critics say are outdated industry rules that slow investments abroad.

Additionally, Japan's insurers and other institutional investors, rocked by steep declines in the value of the stock portfolios since 1989, are not in the mood to buy.

"At this moment, under current regulations, Japanese life insurance companies have very little reason to invest in U.S. Treasury bonds," said Takao Murohara, a bond market analyst at Nikko Research Center in Tokyo.

More than a missed investment opportunity is at issue here. The slowdown in Japanese investment abroad is shaping up as a major cause of the yen's appreciation. The Japanese currency is up 18 percent against the dollar over the past year.

In the 1980s, a big chunk of Japan's trade surplus was recycled by Japanese institutional investors such as life insurers, who regularly snapped up 30 percent to 40 percent of U.S. Treasury bonds auctioned.

This time around, though, they are on the sidelines. So the billions of dollars being brought back to Japan by the auto's exporters are not being recirculated into the global economy.

That sets the stage for even stronger Japanese currency. As exporters repatriate dollar earnings into yen, life insurers are no longer in the currency market, striking a balance with dollar purchases.

Putting a damper on insurers' dollar purchases is a Finance Ministry rule that says they can pay policyholders only out of "interest income" such as stock dividends and interest payments from bond holdings.

That is a problem, because the yield on the U.S. Treasury bond has fallen to a postwar low of 5.84 percent last week and was only slightly above that level in recent trading. Falling yields mean rising bond prices and a healthy capital gain for investors holding the bonds.

But in an example of the myriad of rules and regulations that saddle the Japanese

percent, prompting the Japanese financial industry to call on regulators at home to change the rules. But in Japan, rules change slowly.

The coalition government of Prime Minister Morihiro Hosokawa is preparing a package of measures to deregulate the economy and boost imports as a present to present to the United States this month.

Economists warn, however, that the package of measures will fall short of steps that would allow Japanese investors to recycle Japan's mammoth trade surplus through purchases of foreign bonds.

As the surplus mushroomed in recent months, currency market speculators have driven the yen to postwar highs against the dollar, creating a second problem for Japanese investors in U.S. securities.

As the dollar falls against the yen, so does the value of dollar-based investments for insurers. In the 1980s, the yield on U.S. Treasuries was high enough that Japan's investors felt the investment was worth the currency risk.

Now, the yen's dramatic appreciation against the dollar means insurers can no longer afford to ignore the currency risk, even though U.S. Treasury bond yields are still higher than Japanese bond yields.

More than a missed investment opportunity is at issue. The slowdown in Japanese investment abroad is a major cause of the yen's appreciation.

They came in droves. At U.S. Treasury bond auctions, Japanese regularly bought the lion's share. Indeed, some wondered whether the U.S. had become too reliant on the Japanese to finance its swelling budget deficit.

Today, the Japanese share of the market for new Treasury bonds has fallen to around 5

percent, prompting the Japanese financial industry to call on regulators at home to change the rules. But in Japan, rules change slowly.

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"Despite the rally in U.S. Treasuries, life insurance companies fear they will lose out on currencies," said Masahiro Kawagoe, a pension fund manager at Meiji Capital Management, a subsidiary of Meiji Life Insurance Co.

"Already, their existing dollar-denominated assets have been battered by the yen's recent rise," he said. "With U.S. Treasury yields already so low, Japanese life insurance companies can't invest in U.S. bonds unless they are reasonably sure the dollar will rise over time," Mr. Kawagoe added.

Regulators Seek Evidence for Shiseido Inquiry

Compiled by Our Staff From Dispatches
 TOKYO — The Fair Trade Commission conducted searches Tuesday at three sales companies affiliated with Japan's largest cosmetics maker, in a move that could help open up the country's distribution system by discouraging price controls.

The three distributors for Shiseido Co. are suspected of violating Japan's law against monopolies by refusing to ship Shiseido products to a chain of discount stores.

Foreign companies long have complained about the difficulty of competing in Japan on the basis of price because of its rigid and complex distribution system.

The trade commission's chairman, Masami Kogayu, said its investigation was a sign of a "very large change occurring" in the distribution system, particularly for consumer products.

"I think this change is leading to a freer system," he said. "But the change is coming very suddenly, necessitating adjustments under the Anti-Monopoly Law."

Japan's trading partners have criticized that law as ineffective and seldom enforced. But Mr. Kogayu said Japan was entering an era of increased competition after years of concentrating on economic development.

He said the Anti-Monopoly Law was "starting to take root and be

implemented fully," adding that Japan was now "focusing more on consumers so they can enjoy the fruits of economic development."

Cosmetics and certain other products have long been sold throughout Japan at prices set by manufacturers, because of a combination of exemptions from the Anti-Monopoly Law and control exercised by distributors. But the trade commission decided a few months ago to allow retailers the freedom to price some cosmetic products.

The discount chain, Kawachiya Ltd., started in June to sell cosmetics at 25 percent to 30 percent below the prevailing national prices at eight shops in the Tokyo area.

The following month, the company complained to the trade commission that Shiseido's distributors had stopped supplying it with cosmetics in retaliation for its price-cutting. Shiseido said Kawachiya was selling goods at wholesale prices and was not offering counseling to customers, as Shiseido urges its distributors to do.

Kawachiya also complained that two other cosmetic makers, Kanebo Ltd. and Kao Corp., had canceled or curbed shipments as well. The trade commission has not said whether it is investigating Kanebo or Kao.

(AP, Bloomberg)

Investor's Asia			
Index	Monday	Tuesday	Prev. Close
Hong Kong Hang Seng	7,173.85	7,173.85	-0.03
Singapore Straits Times	2,012.49	2,009.51	+0.15
Tokyo Nikkei 225	3,312.50	3,308.90	-1.31
ASEAN Composite Index	20,307.78	21,148.11	-0.95
Kuala Lumpur Composite	87.78	88.36	-0.31
Bangkok SET	1,388.53	1,388.49	+0.21
Seoul Composite Stock	586.37	700.75	-0.77
Taipei Weighted Price	3,804.50	3,847.29	-0.39
Manila Composite	1,574.40	1,978.81	-1.23
Jakarta Stock Index	428.37	428.30	+0.01
New Zealand NZSE 40	1,883.25	1,971.42	-0.42
Sydney All Ordinaries	3,918.10	3,918.40	+0.21

Sources: Reuters, AFP
International Herald Tribune

Very briefly:

- Garuda Indonesia, the national airline, will reschedule orders for nine new Boeing 747-400s and 16 Boeing 737-300s, and buy instead 32 used Boeing 737-200 jetliners from Lufthansa, a government minister said.
- Robert Kook, new controlling shareholder of the South China Morning Post's holding company, will be chairman of the company and Roberto Ongpin, a former Philippine finance minister, will be deputy chairman.
- Airbus Industrie is threatening to sue Philippine Airlines Ltd. if it refuses delivery next year of six Airbus A340-200s, a PAL director said.
- Talgene Electric Machinery Corp. of Taipei has bought technology for the production of car air conditioners from General Motors Corp.

(AP, AFP, Reuters, Bloomberg)

Australian Dollar Ripe for Recovery

Bloomberg Business News
 NEW YORK — The battered Australian dollar is ripe for a rebound, according to some money managers and economists, who say speculators have driven the currency too low too quickly.

It has tumbled 7.4 percent against the U.S. dollar since Aug. 2, falling to almost a seven-year low of 64.30 U.S. cents in Tuesday trading and a record low of 47.1 on intraday-weighted index, which measures the Australian currency against a basket of currencies of the country's major trading partners.

"We're in the late stages of a sell-off," said Michael Perelstein, managing director for international investments at MacKay-Shields Fi-

nanacial Corp., which manages \$9 billion in pensions and has \$300 million invested in Australian equities.

The selling came as weak commodity prices pulled Australia's export-oriented economy into its worst slump since the Depression. Its slow growth kept interest rates low, making Australian deposits less attractive.

But Salomon Brothers Inc., in a report released last week, estimated that the Australian dollar was undervalued by about 29 percent in terms of purchasing-power parity.

Salomon, however, remained bullish on the outlook for commodity prices and warned that "the currency's near-term upside is limited" and that "additional weakness cannot be ruled out."

More recently, the currency has been dragged down by concern about the government's inability to get its deficit-reducing budget passed by Parliament. The dollar tumbled last week after opposition senators rejected a compromise offered by the Labor government.

None of that, however, troubles Mr. Perelstein. He went so far as to stop hedging his investments in Australia when the dollar was trading at 66 U.S. cents.

"It's usually a good idea to think about buying something when it's been falling for three years," he said.

Mr. Perelstein insisted the world economy was on the mend, and

with it commodity prices. That would be good news for Australia, which depends on raw materials for about 53 percent of its exports.

Others share his optimism, with a caveat or two. Richard Gilhooly, economist at Kidder, Peabody & Co. in London, said the Australian dollar should be trading between 68 and 70 U.S. cents.

Before it can get there, however, "commodity prices have to rise, and the budget has to get through," Mr. Gilhooly said.

Australia's foreign-currency debt is expected to rise to 133 percent of its exports this year from 129 percent in 1992, according to Moody's Investors Service Inc.

2 Jardine Food Concerns Will Merge Operations

Compiled by Our Staff From Dispatches
 HONG KONG — Two subsidiaries of Jardine Matheson Holdings Ltd. said they would merge their wholesale food and general supplies subsidiaries to form one of the largest trading companies of its kind supplying Hong Kong and China.

Dairy Farm Co. plans to merge its Sins Trading Co. unit with Jardine Pacific Ltd.'s Jardine Consumer Products, effective Oct. 1. Dairy Farm will own 70 percent of the new company, with Jardine Pacific holding the rest.

No money will change hands in the merger, Dairy Farm's chief executive for Asia, Chris Nelson, said.

The merged business will have more than 270 employees with offices in Hong Kong and four Chinese cities — Beijing, Shanghai, Guangzhou and Shenzhen — a Jardine Pacific official said.

(Reuters, Bloomberg)

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Herald Tribune

2 Possible Buyers Seen For Hutchison Telecom

AFP-Etel News
 HONG KONG — Hutchison Whampoa Ltd. is likely to sell part or all of its 65 percent stake in its ambitious British telecommunications venture, according to analysts, who see the recent departure of its managing director, Simon Murray, as hastening the move.

"Murray started Hutchison's overseas diversifications," one analyst with Mansion House Securities said. "It was a wrong move. He's now gone, and the focus is on China."

Hutchison has invested heavily in Hutchison Telecommunications (U.K.) Ltd. to develop its Personal Communications Network.

Analysts say the venture is still losing heavily, while devoting sizeable amounts of fresh cash in capital investments.

Before his departure Mr. Murray conceded that the U.K. operation faces significant losses, though he described an analyst's forecast that the U.K. unit's annual loss will reach 1.15 billion Hong Kong dollars as "a little pessimistic." That amount is equivalent to \$149 million.

Deutsche Bundespost Telecom and Telestra OTC, an Australian telecommunications operator, are the most frequently mentioned prospective buyers of all or part of the Hutchison stake, analysts said.

British Aerospace PLC, the other main shareholder in the venture, is also believed to have put its stake on the market, they said.

Analysts said Bundespost Telecom is the more likely buyer of Hutchison's interests, though the deal may not be done quickly, given the difficulty of valuing the venture.

"Hutchison is likely to take more than one partner," another analyst said, "and would be likely to retain as much as a 40 percent stake in the project, although the controlling

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shareholder, Li Ka-shing, would prefer to focus on Asia, and could sell or completely if a bid is at hand," speculation varied on the timing of a possible sale.

We continue to expect a sale to take place," said Elizabeth Hambricht of Goldman Sachs Securities. "However, it is possible that a potential buyer may prefer to wait until the network is closer to operation to gauge its valuation."

HUNGARY
TELECOMMUNICATIONS PROJECT FOR THE BUDAPEST TRUNK NETWORK
INVITATION TO TENDER

This Invitation to Tender follows the General Procurement Notice embracing this project which was published in Procurement Opportunities, No. 1, dated April, 1992.

The HUNGARIAN TELECOMMUNICATIONS CO. LTD. (hereinafter referred to as HTC) has received a loan from the European Bank for Reconstruction and Development embracing a project for the development of the Budapest Trunk and Junction Transmission Network.

HTC now invites sealed tenders for a supply and installation contract with the following contents:

- Reconstruction and expansion of existing plant with an overall length of approximately 4 km and construction of new underground plant with an overall length of approximately 9 km and an average of 8 ductways throughout.
- Installation of optical cables utilizing some 32 km of previously purchased Pirelli cables with an average of 40 fibres and some 74 km of new optical cables and an average of 40 fibres throughout.
- Supply and installation of 140 x 34 Mbps and 51 x 140 Mbps optical line transmission systems and associated 2/34 Mbps and 34/140 Mbps multiplex equipment.

The works to be executed under this contract cover almost the entirety of the Budapest territory.

Tendering for contracts to be financed with the proceeds of a loan from the European Bank for Reconstruction and Development is open to firms from all countries.

Tender Documents may be inspected at the address below as from 22nd September, 1993 and purchased upon payment of a non refundable fee of USD 400 local companies shall pay HUF 39,600. Remittances shall be made to the account of Inteltrade Co. Ltd. with Citibank, Budapest number 98931/2949 - 008 using the following reference:

EBRD Tender No.: TB-106/KA

Tender documents will be made available on presentation of the receipt for the effected remittance from

INTELTRADE CO. LTD.
Mr. Attila Kovács, Head of Procurement Dept.
Budapest, II., Medve utca 25-29., 1027 Hungary
Tel.: (+36-1) 201-0051 or 175-4590
Fax: (+36-1) 201-0017 or 201-0008

All tenders must be accompanied by a bid security, in an acceptable form, of 3% of the value of the bid in any freely convertible currency and must be delivered to the above address not later than 11:00 a.m. on 23 November, 1993. The tenders will be opened promptly thereafter in the presence of the tenderers' representatives who choose to attend.

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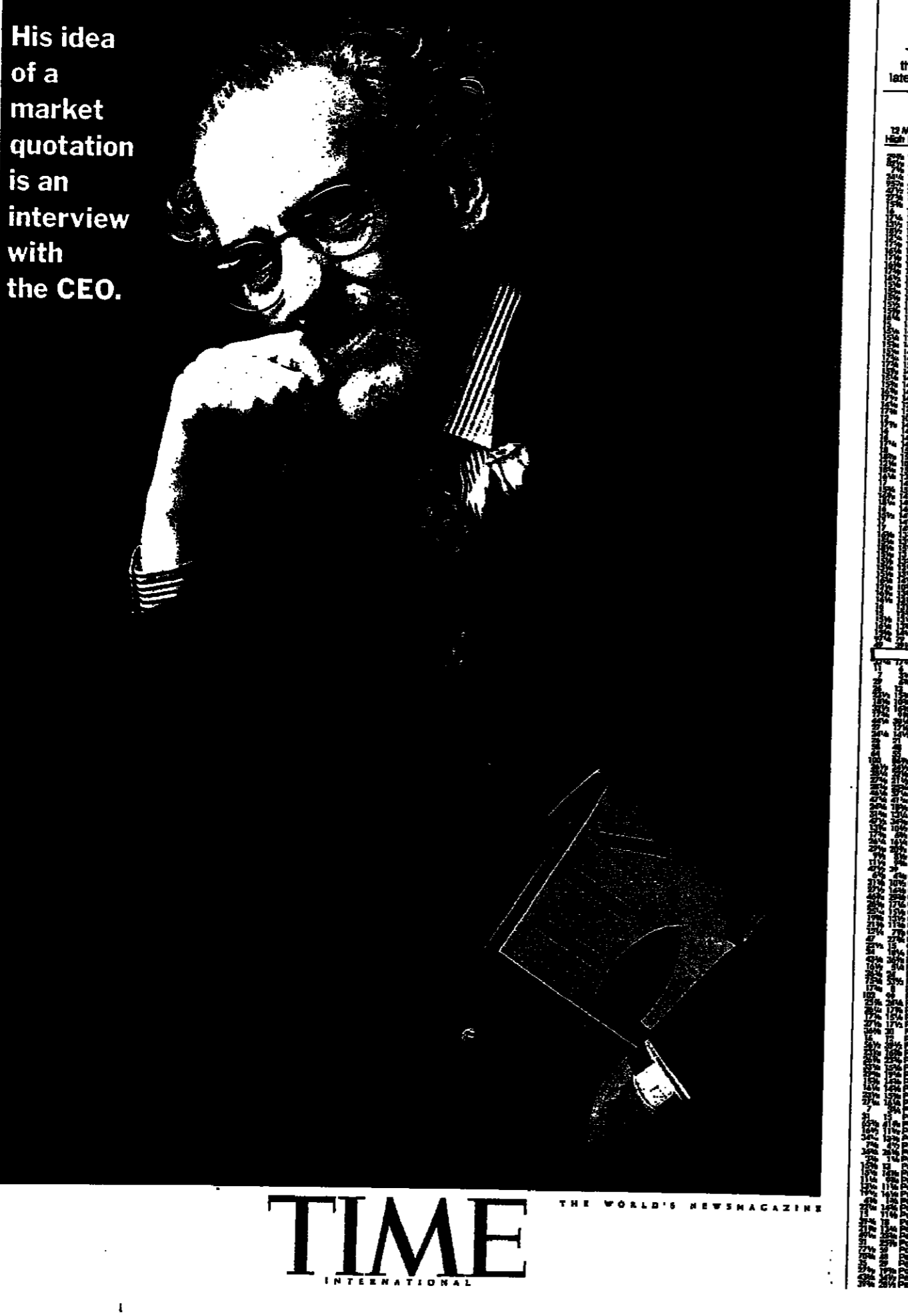
سكزا من الأصل

AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
12/1	12/2	12/3	12/4	12/5	12/6	12/7	12/8	12/9	12/10	12/11
12/12	12/13	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21	12/22
12/23	12/24	12/25	12/26	12/27	12/28	12/29	12/30	12/31	12/32	12/33

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
12/1	12/2	12/3	12/4	12/5	12/6	12/7	12/8	12/9	12/10	12/11
12/12	12/13	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21	12/22
12/23	12/24	12/25	12/26	12/27	12/28	12/29	12/30	12/31	12/32	12/33



His idea of a market quotation is an interview with the CEO.

TIME
INTERNATIONAL
THE WORLD'S NEWSMAGAZINE

NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100s	High	Low	Last	Chg
12/1	12/2	12/3	12/4	12/5	12/6	12/7	12/8	12/9	12/10	12/11
12/12	12/13	12/14	12/15	12/16	12/17	12/18	12/19	12/20	12/21	12/22
12/23	12/24	12/25	12/26	12/27	12/28	12/29	12/30	12/31	12/32	12/33

150

010

NYSE

Tuesday's Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last Sale, Chg. Lists various stock prices.

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TOKYO: Shrinkage in GNP Casts Doubt

Continued from Page 1 Japan's economic bubble three years ago. The annualized 2.0 percent contraction in GNP for the April-June quarter reinforced the perception that Japan's economy had moved into a lower gear.

Consumers Boost Cit

NEW YORK — Citicorp is likely to report record global consumer banking profits in 1993, earning "substantially more than it did in 1992, the consumer banking chief, Paul-Yuan Chia, said Tuesday.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last Sale, Chg. Lists various stock prices.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last Sale, Chg. Lists various stock prices.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last Sale, Chg. Lists various stock prices.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 52 Wk High, Low, Last Sale, Chg. Lists various stock prices.

INTERNATIONAL FUNDS

Sept. 14, 1993

The marginal symbols indicate frequency of quotations: (d) - daily; (w) - weekly; (bi) - bi-weekly; (m) - monthly; (q) - quarterly; (a) - annually.

Table listing various international funds with columns for fund name, share price, and other details.

Table listing various international funds with columns for fund name, share price, and other details.

Table listing various international funds with columns for fund name, share price, and other details.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.



OBSERVER

Dead in Miami

By Russell Baker
NEW YORK — In Miami on Wednesday a visitor from Germany began his Florida vacation by being shot to death driving to his hotel. It happened after a van rammed his car from the rear a few times, apparently as a signal for him to pull over and be robbed.

To Florida's credit, the visitor had been warned of this local custom. While the ramming was going on, his wife was reading him instructions from an official pamphlet on how to save your valuables and possibly your life in this very situation.

The instructions said: Do not pull over. Uwe-Wilhelm Rakebrand, for that was the visitor's name, followed the advice and did not pull over. This must have vexed the van's occupants exceedingly, for it occupied alongside Rakebrand and one of those shot him to death.

Florida has lately had a bad press suggesting that foreign tourists are especially attractive to the Sunshine State's more murderous felons, yet only eight such tourists have been killed in the past year. Yes, "outy eight" sounds callous when we speak of the murdered, but by American murder standards eight is a trifling number.

Frank Zahn, manager of a Berlin agency specializing in travel to Florida, was quoted in The New York Times saying, "There is almost no country in the world where a tourist is absolutely safe."

In short, no big deal. FBI statistics for 1990 bear out this innocuous view. Thus, Florida with a population of 13 million had a murder rate of 10.7 people per 100,000, which comes to 1,391 victims. This was modest carnage compared with New York's. There people were being murdered at the rate of 14.5 per 100,000.

This gave New York, with its population of 18 million, some 2,600 murders, nearly twice as many as Florida. This is arresting only because New Yorkers, like many Americans doped on too much television melodrama, tend to think of Florida as the home office of the modern gunslinger.

Actually, that distinction probably belongs to Washington D.C., where the murder rate for 1990 was

77.8 per 100,000. There, too, a foreign tourist was murdered a few months ago. He was English. Riding the subway, he apparently missed his stop, got off in an unfamiliar neighborhood and was found murdered in an alley.

In Washington it is amazingly easy to get shot, often fatally, for deeds far less outrageous than getting off at the wrong subway stop. Just the other day a youthful pistolero was in the news there for the more or less random shooting of five people in a dance hall on account of someone's bumping him on the dance floor.

Washington may be the nation's capital, but better not let the dance floor feel your leather unless you're as smooth as Fred Astaire. While eschewing the dance in the nation's capital, better keep your radio turned off, too.

Another Washington case shows why: Car One stops at a traffic light. Windows open. Radio playing inside. Car Two pulls alongside. Passenger in Car Two aims pistol at driver of Car One, a complete stranger, and kills him. Why? "I didn't like his music," murderous passenger tells police.

A high school football player from a neighborhood famous for shooting told The Washington Post the other day: "The biggest thing everybody is looking for is respect on the streets. It isn't money. They are just trying to make sure you respect them. People are just pushing each other to the maximum to get respect. And the maximum is death."

We can only speculate whether Rakebrand's Miami murderers thought his refusal to pull over constituted a lack of respect deserving death. It seems likely, since after murdering him they didn't pause for robbery.

It's a sign of the American decline that eight tourists murdered in Florida capture national headlines when the thousands and thousands of Americans routinely murdered cause such little splash.

It reverses the old joke about American narcissism ("Two Americans injured as Asia Earthquake Kills 200,000"). When it comes to murder, it's now Americans who don't matter.

New York Times Service

In a Small Room: A Painter's Last Hours

By Stephens Brocning
International Herald Tribune

AUVERS-SUR-OISE, France — Adeline Ravoux was only 12 when Vincent van Gogh died in an upstairs room at her father's inn here, having exhibited what the painter's friend Dr. Paul Gachet called "the sovereign disdain that he felt for life." Gachet and the other village physician, Joseph Mazery, judged that medical intervention was useless for the gunshot wound in van Gogh's stomach and, besides, Vincent was determined to do it again if they gave him the chance.

So, for nearly 30 hours the Ravoux family kept a death watch for their favorite boarder. Dreadful for the father, Arthur Gustave Ravoux, 42, because he had lent van Gogh the pistol. Horrible for the girl, because Monsieur Vincent was always kind to her and had her sit for a portrait with a nice blue background. Her recollections, summoned many years later, provide important details about the painter's last days, days that for her had intense gravity.

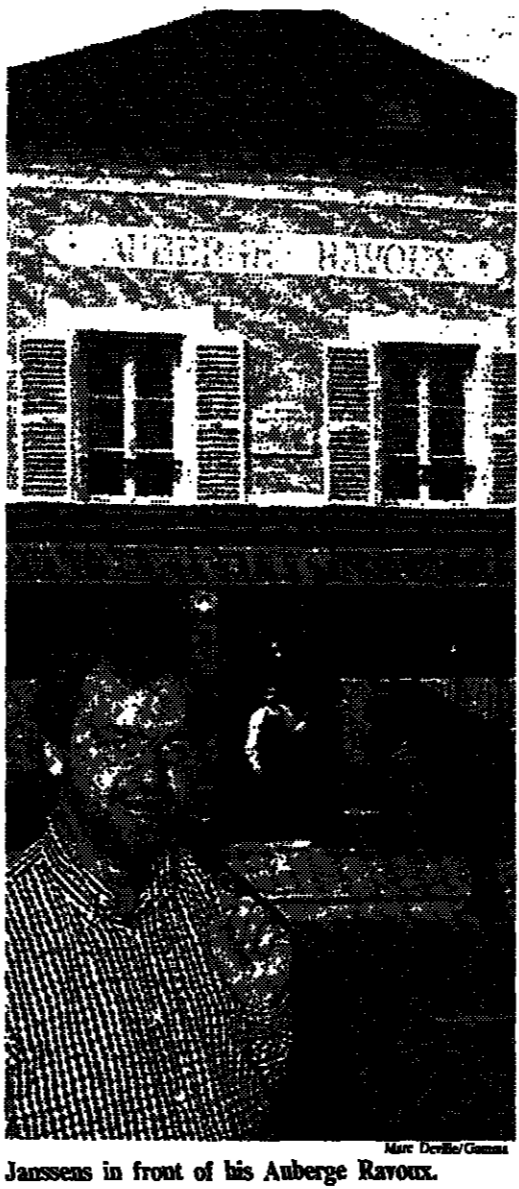
Van Gogh spent only a short time in Auvers. But from an artistic standpoint it was almost obsessively productive. Seventy canvases in 70 days. Reclining on one elbow alongside the languid river Oise, Auvers offered the peace and northern light that van Gogh awaited after two and a half years in Provence, the last 12 months of which he was confined to an insane asylum. Camille Pissarro had been right to recommend Auvers, for its beauty and for Dr. Gachet, who as a collector (and small-gauge painter) would appreciate and encourage van Gogh's work and who as a physician might comprehend Vincent's vast disturbances.

About what pushed Vincent to suicide then, at the age of 37, there are a dozen hypotheses. He himself never said. The most he told his brother Theo, in whose arms he would die, was, "This is how I would like to go."

As for Adeline, she was concerned at the time less with motive than with the scary groans from the third-floor chamber and the rude visit of two gendarmes, who insisted on questioning the suspect. Vincent had broken the law by trying to kill himself. His calm defense was, "Whatever I did is nobody's business. I am free to do what I want with my body." All this while sitting up in bed smoking his pipe.

Ravoux volunteered that it was he who had furnished the pistol because of Vincent's complaint that flocks of crows were a distraction as he painted in the fields above the village. (The pistol, never found, thus may have played a part in the brooding dark-square canvases that some think may have been his last and somehow prefigured his death: "Crows Over the Wheat Field.") Van Gogh declined to corroborate Ravoux's confession.

Vincent had been a model lodger up to then. He rose at daybreak and was usually in bed by 9. With the 150 francs a month that Theo provided, Vincent kept current on his room and board, a cost of 3.50 francs a day. In contrast to the dissolution of the Paris and Arles years, he barely drank. He was punctual for meals.



Janssens in front of his Auberge Ravoux.

letter was carried to Theo in Paris, 40 kilometers (25 miles) and an hour's train ride away. "I believe it is your duty to come in the event of any complications," Gachet wrote to Theo.

Theo arrived on the next train and afterward scarcely left his brother's side. He wrote a short letter to his wife. "How I wish we could give him faith in life," he said. At 1:30 in the morning of the 29th, Vincent died. The death certificate, signed by Theo, Ravoux and the mayor, Alexandre Caffin, cited no cause of death.

A coffin was made by the carpenter Vincent Levert, hastily and not well, according to Anton Hirschig, a young Dutch painter who had the room next to Vincent's in the attic.

For the funeral the next day, the closed casket was set on the billiard table, covered by a simple white cloth and surrounded with masses of yellow blossoms. Dr. Gachet brought a bouquet of sunflowers. The walls of the inn were hung with Vincent's paintings. Because the death was a suicide, Henri Tessier, 44, the curé of Auvers, refused to let the mourners use the parish house. Across the river, in Méry, they found a less dogmatic priest. In mid-afternoon Vincent's body was carried uphill to the cemetery amid the wheat fields he loved.

Theo was inconsolable. He outlived his brother by barely six months. In 1914 his remains were brought from Holland and reburied in the Auvers cemetery, next to Vincent.

As for the Ravoux, they left Auvers in 1893. Ravoux took with him two paintings that van Gogh had given him: the portrait of Adeline and the Auvers town hall, which is just across the street from the inn. (A couple of years later, Ravoux sold both of them, for a total of 40 francs, to some foreigners passing through.)

The inn stayed open pretty much as it was, more of a place for townspeople to congregate than a shrine. Now and then artists held exhibitions there. People could visit van Gogh's room, furnished with an iron bed, a small table and a chair, but there wasn't much of a fuss. The room, whitewashed when Vincent inhabited it, fell into relative decay. Its walls became mottled with age.

Then in 1986, Dominique-Charles Janssens, a Belgian businessman operating on a recent passion for van Gogh, bought the inn for 3 million francs. Janssens has invested several times that sum to restore the inn, with a sharp eye for detail, authenticity and taste.

Now, after seven years, the Auberge Ravoux will reopen to the public on Monday. The main room on the ground floor will seat 40 for two- and three-course lunches and dinners at period tables and chairs. A bright landscape mural, uncovered beneath several layers of paint, is the main decoration. In the courtyard behind the inn, Janssens has had built what he calls a *guinguette* that will serve brasserie-style meals; it can seat 100.

Upstairs on the second floor, Janssens has installed a book shop, stocked with books and posters having to do with van Gogh and art. But he also will offer books on wine, as a reminder that Ravoux was principally a wine merchant.

On the third floor, Janssens has done a minimalist restoration of Vincent's room. It is small — 3.2 meters (10.5 feet) along one side, 2.86 meters along the other — and dark (with a single skylight window, about twice the size of a telephone book, in the slanting roof). It is easy to understand why Vincent preferred to work outdoors. The walls have been preserved in the state of dilapidation they were found, even to the point of injecting silicone to stabilize the cracks. The furniture has been removed, allowing the viewer to fill the chamber with his imagination.

Next door, however, Hirschig's room has been furnished. And next to that is a small auditorium where a 9-minute video on van Gogh's time in Auvers will be displayed to the five visitors at a time who will be allowed to mount the stairs.

The entrance fee to the inn is 25 francs; for students and senior citizens, 15 francs. Children younger than 12 are admitted free. Van Gogh's room, the video display and bookstore are open seven days a week from 10 A.M. to 6 P.M. The restaurants are open until 11 P.M.

PEOPLE

Jackson Tours Kremlin And Moscow Shops

Is Michael Jackson thinking of changing his look? In Moscow for a concert on Wednesday, the singer toured the Kremlin museum and then went shopping, buying a bronze 19th-century statue, several paintings, books and a Russian Army officer's winter coat.

William Kennedy, Pulitzer-prize winning novelist and the author most recently of "Very Old Bones," has been made an officer of the Order of Arts and Letters by French Culture Minister Jacques Toubon.

All the anticipation of a weekend wedding for John F. Kennedy Jr. and Daryl Hannah was for naught. Rumors were rampant that the purported groom's mother, Jacqueline Kennedy Onassis, was going to hold a lavish reception at the Long Island, New York, home of his aunt, Lee Radziwill, but it hasn't happened. Another Kennedy is keeping the ball rolling, however. According to The Boston Globe, Edward Kennedy Jr., 31, the son of Senator Edward M. Kennedy, will be married Oct. 10 to Katherine Anne Gershman, a psychiatrist.

Actor William Hurt's wife, Heidi, wants out, and the divorce proceedings may end up being as nasty as Hurt's 1989 paternity battle with Sandra Jennings. Hurt already had hopped over to Heidi when his battle with Jennings began, and in 1982 he left the actress Mary Beth Hurt after telling her that Heidi was about to have his child. Now rumor has it that the actress Sandra Jennings is expecting Hurt's child next month. Stay tuned.

Robert McC. Adams, 67, is resigning as head of the Smithsonian Institution next year to return to university research.

Patrick Sabatier, a French television personality, was given a four-year suspended prison sentence and fined 250,000 francs (\$50,000) for concealing 5 million francs in personal income.

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WEATHER

Weather forecast for Thursday through Saturday, as provided by Accu-Weather. Includes maps for Europe, North America, Asia, Africa, Middle East, and Latin America, along with temperature and precipitation data for various regions.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle from Sept. 14 and a list of New York Times crossword clues.

AT&T Access Numbers advertisement. Features the headline "I wonder if the little guy had fun today?" and a list of international access numbers for various countries. Includes the AT&T logo and a small image of a globe.

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